

March 11, 2015

Item No. 8

**AUTHORIZATION TO EXECUTE A HOUSING ASSISTANCE PAYMENTS CONTRACT FOR ILLINOIS
ACCESSIBLE HOUSING INITIATIVE PHASE II STAGE 2**

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners (Board) approve the attached Resolution authorizing the Chief Executive Officer (CEO) or his designee to 1) execute a Housing Assistance Payments Contract (HAP) for Illinois Accessible Housing Initiative Phase II Stage 2 (IAHI Phase II) and 2) execute all other documents as may be necessary or appropriate to implement the foregoing.

CORPORATE GOAL

The proposed contract supports Plan Forward Goal #1: coordinating public and private investment to develop healthy, vibrant communities.

This contract will result in more affordable housing opportunities for people with physical disabilities by providing Property Rental Assistance (PRA) for 11 condominium units as detailed below.

FUNDING: Housing Choice Voucher Program (HCV)

PROPERTY SUMMARY

Development Name	Community / Ward/Alderman	Developer / Owner	Target Population	PRA Units	Total Units
Illinois Accessible Housing Initiative Phase II	Lakeview/42 th / Thomas Tunney;			1	206
	Uptown/46 th / James Cappleman;			3	901
	Bridgeport/11 th / James Balcer;	Home First Illinois (HFI)	People with Physical Disabilities	1	66
	New City/12 th / George Cardenas;			2	168
	Edgewater/48th/ Harry Osterman			4	1208

CONTRACT SUMMARY

Development Name	Funding	Contract Term	Contract Type	Initial Estimated Contract	Total Estimated Contract	Application Received
Illinois Accessible Housing Initiative Phase II	HCV	30 Years	HAP Contract	\$130,020/ year	\$5,274,662 (30 years)	May 2014/ February 2015

Initial contract rents will be determined by market comparables and fair market rents applicable at the time the HAP contract is executed. All rent determinations will comply with federal regulations and Chicago Housing Authority (CHA) policy.

Proposed Development: IAHI Phase II Stage 2

- The developer, Home First Illinois (HFI) received State funds to acquire 200 condo units in Cook County, including 45 located in Chicago, to be retrofitted for wheelchair users transitioning out of nursing homes. The Chicago units were acquired in 2 phases.
- Phase I, consisting of 20 units in two stages, was approved by the CHA Board in August 2012 and in May 2013. Phase I is fully leased.
- CHA Board approved Phase II Stage 1, consisting of 14 units, in July 2014. 8 of the 14 units are now leased and leasing is underway for the other 6 units.
- At this, time HFI has acquired the remaining 11 units in the second and final stage of Phase II, consisting of five studio and six one-bedroom apartments in six condominium buildings located in five community areas.
- These units will count toward CHA's 200-unit Section 811 commitment to the State.

Developer Background

- HFI, a subsidiary of IFF, was created to develop and own supportive housing for very low-income people with disabilities.
- HFI received \$11.5 million in Build Illinois Bonds funds from IHDA in 2013 to develop accessible housing for households referred through the Money Follows the Person (MFP) program.
- All 20 units in Phase I and 8 units in Phase II are now under a PRA contract, with the other 6 pending HQS inspections.
- The units will be managed by Affordable Property Management Specialists, which has been in business since 2006 and currently manages four LIHTC projects in 10 buildings totaling 275 units in the City.

Developer Financing

- Build Illinois Bond Funds: \$2.2M (for Phase II Stage 2)
- IFF First Mortgage: \$330,000

Waiting List / Occupancy Process

The owner/manager of IAHI Phase II Stage 2 will lease all of the PRA-assisted units to physically disabled applicants referred from the State of Illinois' Money Follows the Person program. Any applicants that are also on CHA's waiting list will be given a priority preference.

Conclusion

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority Board policies and all applicable federal laws.

The CEO/President recommends the approval to execute a HAP contract for Illinois Accessible Housing Initiative Phase II Stage 2.

RESOLUTION NO. 2015-CHA-23

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated March 11, 2015 requesting authorization to execute a HAP contract for Illinois Accessible Housing Initiative Phase II Stage 2;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute a HAP contract for Illinois Accessible Housing Initiative Phase II Stage 2.



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